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EXAMINER	
MYHRE, JAMES W	
ART UNIT	PAPER NUMBER
3622	

DATE MAILED: 09/15/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/638,457	BOYD ET AL.	
	Examiner	Art Unit	
	James W. Myhre	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *08 July 2005*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-8,24-26,38-59 and 71-74* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-8,24-26,38-59 and 71-74* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date *7/8/05*.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Response to Amendment

1. The amendment filed on July 8, 2005 under 37 CFR 1.111 has been considered but is ineffective to overcome the Copple et al (6,178,408), Kamille (5,996,997), and Eggleston et al (6,061,660) references. The amendment canceled previously withdrawn Claims 9-23, 27-37, and 60-70 and amended Claims 1, 2, 38, 43, 50, and 71. Therefore, the currently pending claims considered below are Claims 1-8, 24-26, 38-59, and 71-74.

Claim Rejections - 35 USC ∋ 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

3. Claims 1-8, 25, 26, 50, 52-59, and 72-74 are rejected under 35 U.S.C. 103(a) as being unpatentable over Copple et al (6,178,408) in view of Kamille (5,996,997).

Claims 1, 50, and 72-74: Copple discloses a system and method for an awards points account, comprising:

a. A main server for providing a user with an interface to submit a code obtained offline and associated with a number of points, wherein the points are

accumulated in a points account and may be redeemed by submitting the winning bid in an auction for an item (col 3, line 64 – col 4, lines 34).

While Copple does not explicitly disclose a proxy agent participating in the auction(s) (submitting bids) for the user, Official Notice is taken that such proxy agents were old and well known within the auction arts at the time of the invention. Throughout the centuries, bidders have sent or hired others to represent them at auctions by placing bids in the bidder's behalf. This practice was quickly adopted by online auction sites during the early 1990's and has become commonplace. For example, two of the references cited by the Applicant on the Information Disclosure Statement filed on July 30, 2003 (Paper number 5), references AP (Fisher et al, 5,835,896) and AS (Ausubel, 5,905,975) disclose that such proxy bidding systems (Fisher, col 9, line 18-25)(Ausubel, col 8, lines 28-43) were known as early as 1996. Likewise, Edward C. Baig (Going Once, Going Twice. Cybersold!") and Nancy Tamosaitis (Online Auctions: Bid Adieu to High Prices") disclose online auctions system which also let the bidder enter a maximum amount and the system (online proxy agent) will automatically increase the bidder's offer up to the maximum amount. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such an online proxy agent in the Copple auction system. One would have been motivated to include an online proxy agent in order increase the chance of submitted a successful bid by the user without the user having to constantly monitor the online auction(s) (which may last several days and cover varying time periods). The Examiner notes that since an electronic proxy agent can monitor and submit bids in an auction in

milliseconds, it would have been a trivial enhancement to have the proxy monitor and place bids in several simultaneous auctions.

While Copple discloses that the user submits the coupon from the product or product packaging in order to receive credit for a given number of points, it is not explicitly disclosed how the validity of the coupons (codes) is determined. However, Kamille discloses a similar system for submitting prize codes (coupons) from products or product packaging, and furthers discloses a code server for maintaining valid codes and verifying the validity of the code submitted by the user (col 3, lines 18-35 and col 12, lines 31-41). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to validate the coupons (codes) submitted by the user in Copple by verifying that the code is in a database of valid codes. One would have been to validate the code in order to ensure that each code (coupon) was only redeemed once (or no more than the predetermined maximum times allowed by the issuer) by the user in Copple and to prevent fraudulent codes from being processed.

While Copple does not disclose that a credit line is established for preferred (heavily active) users which may be used to supplement the accumulated points when the user bids in an auction, Official Notice is taken that establishing such credit lines for auction participants was well known at the time of invention. For example, in many auctions with high-value items, such as works of art, the auction house will "pre-qualify" the bidders and establish the maximum amount that the bidder may bid, i.e. establish a "credit limit" for the user. The winner bidder may pay in cash, pay by tapping in to his credit limit (to settle the bid later), or by a combination of the two (e.g. paying part of the

bid in cash and the rest with credit). Support for using such credit limits in auctions can be found in Cornelius et al (6,629,081; Figure 64, item 6406; Figure 79, option 4; column 19, lines 10-23 and 54-57; and column 21, lines 19-21) and Postrel (6,594,640; column 11, lines 29-35). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to establish such a line of credit for the user in Copple. One would have been motivated to establish a line of credit for heavily active (preferred) users in order to allow them to submit bids which were slightly higher than their accumulated points total; thus, further enticing them to continue to earn points (e.g. purchasing airline tickets, submitting bottle caps, etc.).

Claims 2-4: Copple and Kamille disclose a system for an awards points account as in Claim 1 above, and Copple further discloses maintaining a user account containing the points balance for the user and updates the user account after the user submits a valid code (col 3, line 64 – col 4, line 34).

Claims 5-8: Copple and Kamille disclose a system for an awards points account as in Claim 2 above, and Kamille further discloses that the code may contain any number of letters, numbers, and/or characters (col 13, lines 18-27). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to identify the coupon used in Copple using any number of letters, numbers, and/or characters. One would have been motivated to allow the use of a variable length code on the coupon in order to increase the flexibility of the system to encompass both small and large point systems, i.e. a large system with millions of users submitted

multiple codes (e.g. 100) each would require identification codes much larger than a system with only 100 users who submit only 5 codes each.

Claims 25 and 58: Copple and Kamille disclose a system for an awards point account as in Claims 1 and 50 above, and Copple further discloses a means for generating the code and fixing the code onto an offline medium (such as a product or product packaging)(col 3, line 64 – col 4, line 34).

Claims 26 and 59: Copple and Kamille disclose a system for an awards point account as in Claims 25 and 58 above. While Copple further discloses that the code (coupon) is affixed to the product or product packaging, it is not explicitly disclosed that the product packaging is a bottle cap. However, the inside surface of a bottle cap, the sides of plastic or paper food and beverage containers, the inside surface of candy wrappers, etc. are all well known parts of product packaging used to carry and/or conceal game pieces and codes. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to print the code on the inside of a bottle cap of Copple's product. One would have been motivated to print the code on the bottle cap in order to prevent an unauthorized person from removing the code without purchasing the product.

Claim 52: Copple and Kamille disclose a method for an awards point account as in Claim 50 above and Copple explicitly discloses that point systems are known in which the points can be redeemed for a gift or discount (col 1, lines 23-27).

Claims 53 and 54: Copple and Kamille disclose a method for an awards point account as in Claim 52 above, but do not explicitly disclose the type of auction. The

Examiner notes that the claimed auction types are all well known types of auctions. Furthermore, the type of auction being conducted has no effect whatsoever on the claimed system of accumulating and redeeming incentive points. Thus, little patentable weight is given to the type of auction or how the auction is run. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to know that any method of determining an item to purchase for which the award points would be redeemed could be used, to include any type of auction, since the procedure has no connection to the incentive awards method.

Claims 55-57: Copple and Kamille disclose a method for an awards point account as in Claim 50 above, and Copple further discloses adding or subtracting points from the account based on the users interaction (point-actionable event) with the system; thus, maintaining a user account containing the points balance for the user and updates the user account after the user submits a valid code or a winning bid (col 3, line 64 – col 4, line 34).

4. Claims 24 and 51 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kamille (5,996,997) in view of Copple et al (6,178,408) and in further view of Eggleston et al (6,061,660).

Claims 24 and 51: Copple and Kamille disclose a system for an awards point account as in Claims 1 and 50 above, but do not explicitly disclose that the user account would be placed behind a firewall and further protected using encryption. However, Eggleston discloses a similar system for awarding promotion points to a user's account

which further discloses placing the user account behind a firewall and using passwords to increase the security of the account data. Copple also discloses that a user's registration information also includes a "personalized log on password" (col 5, lines 4-6). Thus, both references are emphasizing the need to protect the user's account information. While it is not explicitly disclosed that the account data will also be encrypted, encryption is a well known security measure used to protect data especially when it is being transmitted over an unsecured network such as the Internet and, thus, would have been an obvious addition to the security measures disclosed by Eggleston. Encryption has been used to protect sensitive information since its first recorded use by the Egyptians over four thousand years ago. In 1977, DES (Data Encryption Standard) was adopted by the United States government as the standard means for securing electronic commerce for many financial institutions around the world. Numerous other encryption methods have also evolved to protect sensitive data, such as RSA and ISO/IEC 9796. Thus, it would have been obvious to one having even rudimentary skill in the art at the time of the invention to use encryption as a means to protect the user account data in Copple. One would have been motivated to use encryption in order to prevent unauthorized disclosure of the information, especially if duplicate data was being stored on a smart card carried by the user as disclosed by Eggleston.

5. Claims 38-41, 43, 44, and 46-48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Copple et al (6,178,408).

Claims 38 and 43: Copple discloses a system for earning and redeeming incentive points, comprising:

a. A network with multiple servers including at least an auction server and a store server (col 3, line 64 - col 4, line 34). It is inherent that the servers connected to the same network (e.g. the Internet in Copple) would be accessible to a user also connected to the same network; and

b. A user database of user accounts holding incentive points earned by the user (col 4, lines 8-11) which may be redeemed by submitting the winning bid in an auction of an item (col 6, lines 7-24 and 57-63).

While Copple does not explicitly disclose a proxy agent participating in the auction(s) (submitting bids) for the user, Official Notice is taken that such proxy agents were old and well known within the auction arts at the time of the invention. Throughout the centuries, bidders have sent or hired others to represent them at auctions by placing bids in the bidder's behalf. This practice was quickly adopted by online auction sites during the early 1990's and has become commonplace. For example, two of the references cited by the Applicant on the Information Disclosure Statement filed on July 30, 2003, references AP (Fisher et al, 5,835,896) and AS (Ausubel, 5,905,975) disclose such proxy bidding systems (Fisher, col 9, line 18-25)(Ausubel, col 8, lines 28-43) were known as early as 1996. Likewise, Edward C. Baig (Going Once, Going Twice. Cybersold!") and Nancy Tamosaitis (Online Auctions: Bid Adieu to High Prices") disclose online auctions system which also let the bidder enter a maximum amount and the system (online proxy agent) will automatically increase the bidder's offer up to the

maximum amount. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such an online proxy agent in the Copple auction system. One would have been motivated to include an online proxy agent in order increase the chance of submitted a successful bid by the user without the user having to constantly monitor the online auction(s) (which may last several days and cover varying time periods). The Examiner notes that since an electronic proxy agent can monitor and submit bids in an auction in milliseconds, it would have been a trivial enhancement to have the proxy monitor and place bids in several simultaneous auctions.

While Copple does not disclose that a credit line is established for preferred (heavily active) users which may be used to supplement the accumulated points when the user bids in an auction, Official Notice is taken that establishing such credit lines for auction participants was well known at the time of invention. For example, in many auctions with high-value items, such as works of art, the auction house will "pre-qualify" the bidders and establish the maximum amount that the bidder may bid, i.e. establish a "credit limit" for the user. The winner bidder may pay in cash, pay by tapping into his credit limit (to settle the bid later), or by a combination of the two (e.g. paying part of the bid in cash and the rest with credit). Support for using such credit limits in auctions can be found in Cornelius et al (6,629,081; Figure 64, item 6406; Figure 79, option 4; column 19, lines 10-23 and 54-57; and column 21, lines 19-21) and Postrel (6,594,640; column 11, lines 29-35). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to establish such a line of credit for the

user in Copple. One would have been motivated to establish a line of credit for heavily active (preferred) users in order to allow them to submit bids which were slightly higher than their accumulated points total; thus, further enticing them to continue to earn points (e.g. purchasing airline tickets, submitting bottle caps, etc.).

Claims 39 and 44: Copple discloses a system for earning and redeeming incentive points as in Claims 38 and 43 above, and further discloses the user obtaining a code offline, submitting the code, and being credited with points when the code is determined to be valid (col 3, line 64 - col 4, line 26).

Claims 40 and 46: Copple discloses a system for earning and redeeming incentive points as in Claims 38 and 43 above, and further discloses that the interacting with the servers comprises registration, attention to an ad, or a purchase (col 3, line 64 – col 4, line 52).

Claims 41 and 47: Copple discloses a system for earning and redeeming incentive points as in Claims 38 and 43 above, and explicitly discloses that the points can be redeemed as payment for submitting the winning bid in an auction (col 3, line 64 – col 4, line 34).

Claim 48: Copple discloses a system for earning and redeeming incentive points as in Claim 43 above, and further discloses the network and servers are the Internet and an Internet server (col 3, line 64 – col 4, line 34).

6. Claims 42, 45, 49, and 71 are rejected under 35 U.S.C. 103(a) as being unpatentable over Copple et al (6,178,408) in view of Eggleston et al (6,061,660).

Claims 42, 45, and 49: Copple discloses a system for earning and redeeming incentive points as in Claims 38 and 43 above, but does not explicitly disclose placing the user account behind a firewall and using passwords to increase the security of the account data. However, Eggleston discloses a similar system for awarding promotion points to a user's account which further discloses placing the user account behind a firewall and using passwords to increase the security of the account data. Copple also discloses that a user's registration information also includes a "personalized log on password" (col 5, lines 4-6). Thus, both references are emphasizing the need to protect the user's account information. While it is not explicitly disclosed that the account data will also be encrypted, encryption is a well known security measure used to protect data especially when it is being transmitted over an unsecured network such as the Internet and, thus, would have been an obvious addition to the security measures disclosed by Eggleston. Encryption has been used to protect sensitive information since its first recorded use by the Egyptians over four thousand years ago. In 1977, DES (Data Encryption Standard) was adopted by the United States government as the standard means for securing electronic commerce for many financial institutions around the world. Numerous other encryption methods have also evolved to protect sensitive data, such as RSA and ISO/IEC 9796. Thus, it would have been obvious to one having even rudimentary skill in the art at the time of the invention to use encryption as a means to protect the user account data in Copple. One would have been motivated to use encryption in order to prevent unauthorized disclosure of the information, especially if

duplicate data was being stored on a smart card carried by the user as disclosed by Eggleston.

Claim 71: Copple discloses an Internet system for maintaining a database of user point accounts which can be used as bids in an auction for an item and which are temporarily removed from the user account when the bid is submitted and permanent removed from the user account if the bid is the winning bid in the auction (col 3, line 64 – col 4, line 34; col 6, lines 7-24 and 57-63). Copple also discloses that point systems were known which set fixed dates or time limits for redeeming the points for promotional items (col 1, line 45 – col 2, line 16). This implies that if the user does not redeem the points by the fixed date or within the set time limit, the points would become invalid (i.e. removed from the user account). The Examiner notes that this was very common during the early days of frequent flyer point systems in which the points earned by a user had to be used within 12 months. At the end of the time period the points were invalidated and subtracted from the user's account. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention to set a time limit or expiration period for the accrued points for the user in Copple. One would have been motivated to set an expiration period and to subtract the expired points from the user's account in order to allow the service provider (point awarder and redeemer) to better manage the system as discussed by Copple.

While Copple does not explicitly disclose a proxy agent participating in the auction(s) (submitting bids) for the user, Official Notice is taken that such proxy agents

were old and well known within the auction arts at the time of the invention. Throughout the centuries, bidders have sent or hired others to represent them at auctions by placing bids in the bidder's behalf. This practice was quickly adopted by online auction sites during the early 1990's and has become commonplace. For example, two of the references cited by the Applicant on the Information Disclosure Statement filed on July 30, 2003, references AP (Fisher et al, 5,835,896) and AS (Ausubel, 5,905,975) disclose such proxy bidding systems (Fisher, col 9, line 18-25)(Ausubel, col 8, lines 28-43) were known as early as 1996. Likewise, Edward C. Baig (Going Once, Going Twice. Cybersold!") and Nancy Tamosaitis (Online Auctions: Bid Adieu to High Prices") disclose online auctions system which also let the bidder enter a maximum amount and the system (proxy agent) will automatically increase the bidder's offer up to the maximum amount. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include such a proxy agent in the Copple auction system. One would have been motivated to include a proxy agent in order increase the chance of submitted a successful bid by the user without the user having to constantly monitor the online auction(s) (which may last several days and cover varying time periods). The Examiner notes that since an electronic proxy agent can monitor and submit bids in an auction in milliseconds, it would have been a trivial enhancement to have the proxy monitor and place bids in several simultaneous auctions.

While Copple does not disclose that the user account is protected using encryption, Eggleston discloses a similar system for awarding promotion points to a user's account which further discloses placing the user account behind a firewall and

using passwords to increase the security of the account data. Copple also discloses that a user's registration information also includes a "personalized log on password" (col 5, lines 4-6). Thus, both references are emphasizing the need to protect the user's account information. While it is not explicitly disclosed that the account data will also be encrypted, encryption is a well known security measure used to protect data especially when it is being transmitted over an unsecured network such as the Internet and, thus, would have been an obvious addition to the security measures disclosed by Eggleston. Encryption has been used to protect sensitive information since its first recorded use by the Egyptians over four thousand years ago. In 1977, DES (Data Encryption Standard) was adopted by the United States government as the standard means for securing electronic commerce for many financial institutions around the world. Numerous other encryption methods have also evolved to protect sensitive data, such as RSA and ISO/IEC 9796. Thus, it would have been obvious to one having even rudimentary skill in the art at the time of the invention to use encryption as a means to protect the user account data in Copple. One would have been motivated to use encryption in order to prevent unauthorized disclosure of the information, especially if duplicate data was being stored on a smart card carried by the user as disclosed by Eggleston.

While Copple does not disclose that a credit line is established for preferred (heavily active) users which may be used to supplement the accumulated points when the user bids in an auction, Official Notice is taken that establishing such credit lines for auction participants was well known at the time of invention. For example, in many auctions with high-value items, such as works of art, the auction house will "pre-qualify"

the bidders and establish the maximum amount that the bidder may bid, i.e. establish a "credit limit" for the user. The winner bidder may pay in cash, pay by tapping in to his credit limit (to settle the bid later), or by a combination of the two (e.g. paying part of the bid in cash and the rest with credit). Support for using such credit limits in auctions can be found in Cornelius et al (6,629,081; Figure 64, item 6406; Figure 79, option 4; column 19, lines 10-23 and 54-57; and column 21, lines 19-21) and Postrel (6,594,640; column 11, lines 29-35). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to establish such a line of credit for the user in Copple. One would have been motivated to establish a line of credit for heavily active (preferred) users in order to allow them to submit bids which were slightly higher than their accumulated points total; thus, further enticing them to continue to earn points (e.g. purchasing airline tickets, submitting bottle caps, etc.).

Response to Arguments

7. Applicant's arguments filed July 8, 2005 have been fully considered but they are not persuasive.

a. The Applicant argues in reference to Claims 1, 50, and 72 that none of the references disclose that the proxy agent can participate as a proxy for the user in any number of other auctions (either separately or substantially concurrently)(pages 11-13) nor do they disclose that a credit line is established for heavily active users or that "accounts are set up for transferring accumulated points therebetween" (page 14). The

Applicant also argues that it is improper to combine the references because they are classified in different Classes and Subclasses (pages 14-15).

In response to the argument that it is improper to combine references with different classifications, the Examiner notes that "PTO classification is some evidence of analogy, but similarities and differences in structure and function carry more weight" (MPEP 2141.01(a)) and "While Patent Office classification of references and the cross-references in the official search notes are some evidence of "nonanalogy" or "analogy" respectively, the court has found "the similarities and differences in structure and function of the inventions to carry far greater weight" (*In re Ellis*, 476 F.2d 1370, 1372, 177 USPQ 526, 527 (CCPA 1973)). In the present instance, all three references disclose various aspects of prize award systems which determine the amount of a prize award and redeem the prize award, either instantly or by accumulating the prize award amounts for subsequent redemption. When one of ordinary skill in the art was attempting to set up such a prize award system at the time of the invention, it would have been obvious to look at these three and other similar references to select the desired method or methods for awarding prizes or points, for accumulating or not accumulating the award prizes or points, and for redeeming the award prizes or points.

In response to the Applicant's argument that it would not have been trivial to let a user's proxy agent participate in several auctions either separately or substantially concurrently, the Examiner notes that in larger online auction sites, such as EBay™, a user may be bidding in several concurrently running auctions. If the user chooses the automatic bidding feature for each of these auctions, EBay™ will automatically bid for

the user in each of the concurrent auctions, thus the user's proxy agent is participating in several auctions substantially concurrently. Copple not only suggests that the user could be bidding on concurrently running auctions by tracking the total number of points that the user has committed to bid and "if the user bids on more than one item at a time, thereby assuring that the user never commits to bidding an amount of points that the user does not presently maintain" (col 5, lines 17-20) and also explicitly discloses that the user can access "a home base that displays the current active auctions, auctions that the specific user is involved in, . . . " (emphasis added)(col 6, lines 7-11). Thus, it would have been obvious for the auction system in Copple to allow the user's proxy agent to also participate in several auctions substantially concurrently.

In response to the Applicant's argument that the references do not disclose setting up a credit line for heavily active users, the Examiner notes that Official Notice was taken that such credit lines in auctions were old and well known and cited Cornelius and Postrel as two examples of such. For instance, Cornelius discloses an auction system in which Figure 64 shows step 6406 "Granting a predetermined amount of credit to the buyers" and that "The buyer's credit line is also earmarked in operation 1606 to indicate the amount of purchase order to prevent the buyer from exceeding the maximum amount of credit" (col 19, lines 54-57).

In response to the Applicant's argument that accounts are set up for transferring accumulated credits therebetween, the Examiner notes that Copple discloses setting up a user account when the user registers with the system (col 5, lines 4-12) and transferring points in and out of the accounts as the user earns or redeems the points.

These points are being transferred between the merchants' accounts and the users' accounts, such as disclosed in Postrel where the system "would decrease the user exchange account 54 by the number of points corresponding to the purchased item" . . . and "may be a direct transfer of points to an account associated with the merchant" (col 7, lines 31-39). Thus, it is at least implied that Copple is transferring points between the accounts in the accounts database, since it is disclosed that the merchants are being charged based on the exchange rate of the points for that merchant.

b. The Applicant argues in reference to Claims 24 and 51 that none of the cited references disclose encrypting the points in the accounts (page 15). The Examiner notes that, as the rejection stated, it was old and well known to use encryption to protect sensitive data, whether being transmitted over unsecure networks or stored in databases. Eggleston discloses using firewalls and passwords to protect the user's account information. Copple also discloses that a user's registration information also includes a "personalized log on password" (col 5, lines 4-6). Thus, both references are emphasizing the need to protect the user's account information. Encryption has been used to protect sensitive information since its first recorded use by the Egyptians over four thousand years ago. In 1977, DES (Data Encryption Standard) was adopted by the United States government as the standard means for securing electronic commerce for many financial institutions around the world. Numerous other encryption methods have also evolved to protect sensitive data, such as RSA and ISO/IEC 9796. Thus, it would have been obvious to one having even rudimentary skill in the art at the time of the invention to use encryption as a means to protect the user account data in Copple.

c. The Applicant presents the same arguments in reference to Claim 38-41, 43, 44, and 46-48 as presented in reference to Claims 1, 50, and 72 above. These arguments have been addressed in paragraph 7a above.

d. The Applicant present the same arguments in reference to Claims 42, 45, 49, and 71 as presented in reference to Claims 24 and 51 above (encryption) and Claims 1, 38,43, and 50 (credit line). These arguments have been addressed in paragraphs 7a and 7b above.

Conclusion

8. All claims are drawn to the same invention claimed in the application prior to the entry of the submission under 37 CFR 1.114 and could have been finally rejected on the grounds and art of record in the next Office action if they had been entered in the application prior to entry under 37 CFR 1.114. Accordingly, **THIS ACTION IS MADE FINAL** even though it is a first action after the filing of a request for continued examination and the submission under 37 CFR 1.114. See MPEP § 706.07(b). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of

the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (571) 272-6722. The examiner can normally be reached Monday through Thursday from 5:30 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (571) 272-6724. The fax phone number for Formal or Official faxes to Technology Center 3600 is (571) 273-8300. Draft or Informal faxes, which will not be entered in the application, may be submitted directly to the examiner at (571) 273-6722.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (571) 272-3600.

JWM
September 12, 2005

James W. Myhre
Primary Examiner
Art Unit 3622